



# CAP reform 2013

## Green growth or Green deal?

### Position Paper of the Green/EFA Group in the European Parliament

#### CAP history, missed reforms, new challenges

The Common Agriculture Policy was created in 1957 to respond to the needs of European citizens at that time: having enough to eat after a widespread experience of hunger after World War II. This target was reached quite rapidly.

The European policy model for agriculture focused on growth and productivity, on industrialisation of farming, which soon generated important surpluses of cereals, milk and meat. At the same time this model depended heavily on increasing imports of animal feed from the United States and other parts of the world. Simultaneously the EU exported increasing amounts of surplus cereals and meat to the world market. This model has not changed. Successive CAP reforms were not able, either by lack of political will or by specific national interests, to correct these unsustainable imbalances. Surpluses exported from the EU have historically been undermining markets and inhibiting stable agricultural production in less developed countries. Indirectly, subsidised production in the EU offsets production costs for agricultural products and processed food exported out of the EU. This causes unfair competition on local markets in less developed countries, as farmers in countries not receiving (or receiving less) subsidies cannot offset their own production costs and lose out in local/regional markets. Regarding access to markets and trade barriers: on one hand, the EU protects its agricultural sector for the sake of food security within the EU, on the other hand it pressurises less developed countries to accept trade agreements to open up their markets to EU-produced food at lower prices (dumping).

In 2010, the European Union will export agricultural products worth 127 billion US\$ and import goods worth 173 billion. The net imports reach 46 billion US\$. The EU is now the world's first importer of feed and food before China. Today, the EU imports tens of millions of tons of soybeans and other proteins which "feed" an industrialised model of animal breeding. While this situation could make sense for products which do not grow well in the EU like tropical products, coffee, cocoa or fruits, it does not make sense for basic animal feedstuffs like soybeans or other proteins which could be produced in Europe without problems. Furthermore, the highly specialised and concentrated industrial production of meat leaves a devastating ecological and social footprint not only in Europe, but also in developing countries.

European farmers and consumers find themselves dependant and indirectly responsible for an unsustainable use of 35 million ha of land abroad, also wasting gigantic amounts of water, for example. This reflects not only a heavy responsibility

for growing instability of global food security and hunger. It has also substantially contributed to a dominant agricultural model which destroys the very basic resources of stable food production in Europe. Also the new global problem of "land grabbing" (the purchase of large areas of land in developing countries and Eastern Europe) has emerged from the growing "hunger" of global agro-industries to incorporate ever more land and people into its empires.

The pressure to ever increase productivity of farms and the destructive ideology of "grow or perish" imposed on farmers has also brought about a massive loss of jobs in rural economies. Whole regions have highly specialised monocultures of maize and wheat, as well as energy consuming and polluting factory farming. These imbalances have triggered a chain of negative impacts and created an alarming degradation of soil fertility, biodiversity and water quality throughout Europe.

In the old EU Member States, farmers now represent only 3-4% of the labour force. This rural exodus was politically intended in the 60s and 70s to provide industry and services with cheap labour. But today these sectors do not absorb more people; they rather produce more unemployed citizens. Sustainable farming and food systems, especially organic farming, as well as sustainable management of soil, water, biodiversity and rural infrastructure will preserve and create decent employment in farming and thriving rural economies only if the current model of agriculture changes radically. CAP reform must find solutions to these imbalances and take the necessary steps to spread out its agricultural production between its territories and its regions, re-linking crops and animals farming.

The destruction of jobs has been even more rapid and worrying in the new EU Member States and southern Europe. Enlargement and CAP reforms have marginalised family farms, particularly smallholders and rural workers, and created new pockets of poverty. Also migrants from Northern African countries find themselves in unacceptable working and income conditions. The speed of destruction of the social fabric of rural economies is alarming. In countries like Romania, Bulgaria, Hungary, but also parts of Italy, Greece and Spain, a significant part of the population see their livelihoods destroyed without alternatives, facing social and political tensions which could have an important impact on the future of the European Union.

Reforms of the CAP in past decades have only adapted instruments and measures to changing political ideologies. In 1992, Europe reformed its CAP to adapt farming to global trade interests within the system of the WTO. Agriculture was used as a bargaining chip to obtain concessions from developing countries for its industries and its services sectors. This trend was continued in successive reforms in 1999 and 2003. But the ongoing liberalisation of trade was unable to improve the lives of poor and hungry people. Moreover it increased their number to more than one billion in 2010. Agricultural trade, which is dominated by transnational corporate interests, has proved to be a failure. Therefore agriculture and food security issues should be negotiated outside of WTO, in a transparent and democratic international framework fully taking into account of social and environmental issues.

### **Green growth? – Europe2020 misses agriculture and the real challenges**

Ten years ago, the Lisbon agenda promised European citizens that the EU would become the most competitive and innovative region in the world. But this vision did not materialise. Europe is today losing economical strength and political cohesion. The European Commission explains the obvious failing mainly with an "unpredictable" financial and economical crisis and insufficient efforts of Member States to make their economies more competitive on globalised markets.

With Europe2020 Manuel Barroso offers more of the same for the coming ten years. His political roadmap Europe 2020 defines again economic growth and market liberalisation as main guidelines for all EU policy reforms until 2013. In addition, reforming the Common Agriculture Policy (CAP) is supposed to fit into this growth strategy in spite of growing problems with widespread speculation on agricultural commodities, extreme price volatility for food, and growing concerns about European and global food insecurity.

Remarkably, agriculture and the food crisis were not mentioned in Barroso's original EU 2020 strategy. Considered as "hinterland" of the wider economy, farming was apparently assumed to deliver cheap raw materials so as to enable the food and energy industry to become more competitive on a global scale. The communication of the Commission on "better functioning of the European food chain" and the road map of EU food industries reveals this approach in surprising details. Much is said about competitiveness of the food industry, very little about environmental challenges, risks of climate change, food quality, or farmers and consumers' needs.

The fixed idea of growth as answer to all ills deliberately misuses the broadly recognised challenges for future farming like climate change, depletion of soils and loss of biodiversity. Europe 2020 adds green attributes to an outdated model of economic development: Smart, green and inclusive.

- Smart growth is expected to increase investments through an outdated agro-industrial research to boost production;
- Green growth focuses on investments in raw materials, biomass and agro-fuels which are undermining food security; finally
- Inclusive growth is supposed to deal with growing unemployment and poverty in rural areas. It is this disconnected technical fix approach to economical, ecological and social challenges which makes the Europe 2020 agenda outdated from its start.

Greens in the European Parliament are not ready to carry on with agri-business as usual. We want a common agricultural and rural policy which enhances the engagement of citizens for environmental protection, animal welfare and fair trade; which recognises the right of farmers and rural workers to gain a decent income for producing healthy food and environmental stewardship they provide to society.

We want research, education and technologies which help to balance production with protection; we want public money to be invested in sound management of natural resources, soils, water, biodiversity as part of a new agri-*cultural* system which builds upon local conditions and skills and preserves stable employment and good work. We want an agricultural policy which is coherent with Millennium Development Goals 1 (to eradicate extreme poverty and hunger) and 8 (to build a global partnership for development), thus contributing to the global fight against hunger and with the right to food. World food security can only be reached if developing countries strengthen their own production, sustainably. On the other hand, the CAP is being justified for supposedly contributing to world food security: this is wrong on two levels because firstly that aim is not being reached, given the one billion hungry people worldwide and the food crisis in 2008; and secondly this apparent task to "feed the world" used by the agro-chemical industry to justify chemical intensification is profoundly misleading, given that we import so much food and especially animal feed.

**A Green deal! How to apply the fore-runner and the polluter pays principles**

We offer a green deal: We want a reform which reverses current rules and exceptions of European Common Agriculture and Rural Policies. Sustainable farming practices and quality food production must become the rule. Unsustainable farming practices which are dependant on high energy and oil-based inputs must be phased out as the exception.

Instead of pushing farmers further into the race for ever-higher output in a short time, public incentives should mainstream sustainable farming systems. It does not make sense subsidising agro-industrial complexes for competing at the world market which load the costs of environmental degradation and risks for public health on society as a whole. This makes taxpayers pay twice. Instead, the CAP should include environmental, social and public health tasks in all farming and food systems and make sure that markets and direct payments can cover the real costs of a sustainable food chain and thus also prevent dumping of EU products in developing countries.

Fighting climate change in agriculture is not just a question of absorbing CO<sub>2</sub> or reducing methane. Farming systems need to improve the humus and fertility of soils through better crop rotation and to rebalance animal and plant production by re-linking animal breeding to the land. Better water management is not just a question of absorbing nutrient runoff from stables and fields but of improving water cycles in agriculture and agro-forestry in order to cool the planet and keep the water where it is most needed. We must improve the sustainability of our methods of producing meat and milk, to be in line with animal welfare and environmental protection rules and to mitigate climate change; we must reduce the intensity of livestock production, bring an end to factory farming and promote alternatives to these methods/products to achieve a better ecological balance.

The productivity of biodiversity cannot be preserved in gene bank fridges or fenced-in nature reserves. It must live and expand through cultivation on farms, with a broad number of crops and farm animals. Also wild species will not survive at the rim of an ever more exploitive agriculture. Farming must include, not exclude, the stewardship of natural resources, cover the real costs of production and therefore provide decent work and income. A system which inherently produces surpluses which are then dumped via external trade outside the EU must come to an end.

To this end, we suggest applying both the fore-runner and the polluter pays principles in a future CAP. Together they can draw farmers out of the spiral of destruction; out of an outdated ideology of "grow or perish". The forerunner principle sets the best sustainable practice available in a region or production sector as a reference for farming systems which should be mainstreamed. The polluter pays principle obliges farm industries with unsustainable practices to compensate society for negative impacts on the environment and on public health. Direct payments must be transformed into payments that only reward a contribution to public benefits, such as climate change adaptation and mitigation, environmental and biodiversity protection, and the creation of good jobs. They would be conditional upon good animal welfare and would be achieved by setting priorities; these would include support of small scale farmers and not the fewer bigger companies currently favoured.

Currently, the so called cross compliance principle allows CAP direct payments to farmers under the condition that minimum environmental and animal welfare standards are met. But the problem is that the bulk of current subsidies are mainly invested to boost outputs per unit, imposing even more intensive practices which undermine these minimum conditions.

Cross compliance is therefore perceived by many farmers and national governments as a limitation to competitiveness. Therefore administrations in Member States tend to tolerate infractions. It makes more sense to encourage and support the best existing answers to environmental, health and social challenges within a territory, and to impose levies on systems which do not respect the existing environmental, animal welfare and public health laws.

## **We offer a Green Deal on CAP reform (including the following proposals):**

### **1. Food first: Strengthening the human right to sufficient and wholesome food**

- **Sufficient and healthy food must become accessible for all:** the CAP reform must therefore include policies, measures and trade rules which guarantee national and European food security as well as preventing growing poverty within the EU and worldwide, supporting developing countries in feeding their own populations in a sustainable way.
- Food should be grown and consumed, preferably seasonally, **on a local and regional level** in order to avoid long distant transport and a growing dependence on profit strategies of international trade companies. Therefore, EU agricultural production must concentrate on regional production and not put a focus on competing on world market level.
- The right to food includes the right of people and governments to take measures against **ecological, economical or social forms of dumping** and to develop their own sustainable food systems. The CAP must incorporate the right to food and other relevant multilateral conventions. A complaint mechanism for dumping practices, open for stakeholders from the EU but also to developing countries, should be established.
- Food prices must reflect **the real costs of sustainable production** systems. This requires profound changes in CAP which include better market organisation; closer relations between farmers and consumers, training and research which allow farmers to choose best available practices in each region, and nutritional education which allows consumers to chose a healthy and sustainable diet.

### **2. Fair trade: Including sustainable development policy in CAP reform**

- The CAP must become consistent with a global sustainable development policy. The EU must **stop all dumping practices**, such as export subsidies as well as direct payments, and the investment support for intensive industrial-style rearing and processing operations under the second pillar which provoke unsustainable surplus production. A reformed CAP must **reduce its ecological and social footprint** on agriculture and natural resources in developing countries, e.g. by reducing imports of feedstuff and other commodities which may undermine food security and sustainable farming systems in those countries.
- The EU should work towards a global agricultural trade regulation system,

which favours sustainable food production, preferably in small-scale local farming systems, and which **actively prevents competition between food, nature preservation and energy production.**

- When importing agricultural products from poor countries, the EU should actively help the countries **to create more added values** from their agricultural products and to gradually **adhere to EU standards without unfair import restrictions.** This principle should be respected in all bilateral or international negotiations between the EU and developing countries. Developing countries can face relatively low tariff barriers regarding import of their primary products into the EU (e.g. cocoa beans), but if they want to export processed food into the EU (e.g. chocolate), then they face very high tariff barriers. Conversely, value is added in the EU to primary products and exported back to developing world producers. The EU must therefore change its tariff escalation regime and promote and increase of the tariff level for agricultural products in developing countries. Lower incentive tariffs must be granted for products that adhere to higher social and ecological products. The export of EU products that profit from tariffs higher than 20% should be prevented.
- The EU must actively **combat speculation with food, land and agricultural products** by taking the leadership in a new international framework for land and commodities markets. The EU must establish fair rules for qualified market access, which stops ecological and social dumping and encourages a shift towards sustainable practices.
- **Land grabbing** in Central and Eastern Europe and in developing countries threatens local food security and often displaces local populations without offering alternative jobs or income. **Investments in land purchase must therefore be made transparent** and regulated in order to avoid further concentration of land ownership and land markets. The EU agro-fuel policy should not encourage land-grabbing as it currently does.
- In order to avoid food shortages worldwide, the EU should promote and support developing countries in establishing **domestic food reserves based on sustainable local and regional farming systems.** However, these food reserves should not be based upon state-bought surpluses and must not end up being dumped on markets of developing countries, at the expense of local food sufficiency. The share of development assistance going to strengthen the agricultural sector in developing countries has to be increased and more institutional support has to be given for domestic producers in developing countries.
- An impact assessment of the CAP has to be undertaken, especially looking at possible distortions of international trade and the impact on small scale farming in other countries. The CAP reform must include a consultation process for developing countries.
- The EU should promote the formulation and application of multilateral rules and prevent the proliferation of bilateral agreements and private standards.

### 3. Public support: reversing rules and exceptions

- CAP reform must reverse rules and exceptions: Sustainable farming practice must become the rule. Industrial farming and other unsustainable practices should be treated and regulated as the exception from this rule. The spirit of

the reform should therefore fully **encourage sustainable practices instead of weakening minimum rules** like cross compliance with regard to competitive advantages.

- In order to become a true European model of multifunctional agriculture, the new CAP should **apply the forerunner and the polluter pays principles**. This will draw farmers out of the spiral of destruction and out of an outdated ideology of “grow or perish”.
- CAP payments should move from a logic of compensation to a logic of investment in best practices. The **EU should identify best practices in sustainable food systems** (including the challenges of climate change, biodiversity loss, better water management, soil fertility, animal welfare and sustainable employment) and encourage Member States to actively promote these practices in their territory, offering increased co-financing for increased performance.
- Payments for **"public goods"** should be closely linked to **sustainable farming systems** instead of simply compensating farmers or companies for separate public services. Payments for public goods should preferably become part of territorial based rural development and cohesion programmes which include rural communities and all relevant stakeholders in the effort.
- Farmers in **less favoured areas**, such as islands, mountain regions, and regions with poor quality soils, face some of the greatest difficulties of all farmers in Europe: distance from markets, lack of local service provision, vulnerability to the volatility of markets, and the need to protect fragile ecosystems. Yet many LFA farmers are responsible for maintaining some of Europe's most important **High Nature Value farming areas**, and farming activity is essential for supporting local landscapes and local communities. It is of utmost importance that these farmers, faced with the tightest margins and the greatest responsibilities, receive adequate public support: unfortunately, the historic basis of the CAP rewards profitable input-intensive farming far more. The exception must become the rule: support must be targeted at these vulnerable farmers in marginal areas. The effective and valuable Less Favoured Area support scheme must be continued and enhanced, and must become integral to the overall system of public support.

#### 4. Transition towards a framework of best practices

- The EU should set a **framework of best practice principles**, and elaborate specific criteria for these practices where farming takes place: on a regional/local level. Public-private partnerships, as practiced in local action groups in the LEADER programme, should be applied in defining these criteria.
- Conditions for payments to farms should **combine a sustainable production component and a decent employment component**. Both should be paid under the condition that investments would clearly lift farming practices above the current cross compliance standards and stabilise or improve employment conditions and income of people working on that farm. Payments would be differentiated according to specific geographical and infrastructural conditions such as disadvantaged regions, high nature value areas, sensitivity to climate change, etc.
- CAP should not pay any subsidies which are only based on land ownership without active agricultural production or nature protection activities. Also

**industrial indoor/off-land livestock farms should not be subsidised.** A ceiling for receiving public support should be set at a certain income level and size of a farm enterprise which takes into account the level of sustainable production and employment.

- The reform should comprise **transition periods and measures which allow farmers to adapt to the new rules.** Comparable to the rules for conversion towards organic farming, certain steps such as extensification, extended crop rotation, wild flower and buffer strips, plantation of hedges, etc, would lead to increased sustainability in production systems but should not be seen in the long run as separate services which are separately paid.

## 5. Better market stewardship

- CAP reform should establish **new forms of supply management and market organisation** which prevent structural surplus production and actively support farmers and consumers in regaining ownership of their local and regional markets. Such an approach also involves a **change of EU competition regulations** which must stop abuse of buyer power by dominant processing and retailing companies and reverse the concentration process in the food chain.
- CAP and EU **competition law should differentiate between competition on local, regional, national and international level** through a reform of rural development and structural policy. Smaller processing units will be able to deliver quality products to consumers. Regulations **should support farmers in establishing producer organisations** which strengthen their bargaining power and gear food products to more regionalised and local markets. CAP reform should furthermore adapt hygiene and marketing rules to the different size of markets and demand.
- Farmers' and consumers' organisations should receive support in **establishing direct links so as to offer farmers and consumers a fair price for quality products.** Contracting between farmers and the food industry should include principles which encourage the move towards more sustainable practice.
- In order to achieve a better share of added value from the food chain, the European Commission should start a **new transparency initiative which obliges the most dominant food industries to publish their market shares and profit margins.** The future CAP must strengthen farmers' and consumers' roles in better balancing supply and demand, especially in sensitive sectors such as milk and fruit and vegetable production.

## 6. Wider rural development: more territorial cohesion

- The new rural and territorial development policy must further **integrate agricultural, environment and cohesion policies with a territorial approach.** It should take into account the geographical and cultural specificities of rural areas compared to those of cities and areas of urban agglomerations in terms of urban sprawl.
- Integrated rural development should improve territorial governance, the recognition of differences between territories, in which local people can become active for local projects. **Rural territorial governance** must integrate territorial plans and programmes of rural Europe, drawing upon the



experience of successful EU Community initiatives like LEADER and using appropriate institutional, legal and financial instruments for this. The new rural development policy should be a consistent multi-level framework of “territorial governance”, based upon the principle of subsidiarity.

- Rural territorial programmes should put a strong emphasis on horizontal and vertical partnerships between national and provincial governments and local authorities and should have the means to plan, implement and manage sustainable development in rural areas. The distribution of funding should be reviewed on the basis of a **new typology of rural areas and a proportional system of co-funding according to population density**, the socio-economic situation and specific features or needs.
- Rural development programmes should enhance innovative solutions and networks on the local and European level. They should include **local research activities and competence networks within and between rural areas**. Specific attention should be given to the strengthening of local public infrastructures; to the creation and support of small businesses; and to giving young people and migrant workers the opportunity to combine their own future prospects with those of the area in which they grow up.
- In order to achieve the goal of greater territorial cohesion through an integrated approach, the EAFRD and the Structural Funds must be aligned, to focus European financing and "added value" in more targeted ways, particularly with regard to the promotion of development in economically and geographically marginal areas, and the encouragement of projects which will advance the "Green New Deal", such as better livestock management practices, and renewable energy projects.

## 7. Enhancing biological and economic diversity as organising principle

- Support from CAP funds should also actively rebalance plant with animal production so as to **reduce the dependence of the EU on protein imports**, to re-link animal breeding to integrated animal feed production and to solve the growing problem of water pollution. The reform must establish a ceiling on the number of animals which can be bred on a hectare of land in order to prevent unsustainable concentration and pollution. Targets for gradual production of protein feed inside EU have to be established. The Blair House agreement has to be nullified.
- CAP reform should make obligatory the protection of soil fertility and efficient measures against soil erosion and pollution. It should make **enlarged crop rotation compulsory for direct payments in order to discourage monocultures**. Agri-environmental measures must encourage a greater diversity of plant production and animal breeding through supporting sustainable use of local plant varieties /animal breeds in order to work against further genetic erosion. The EU should encourage the Member States to introduce taxes in line with the polluter pays principle on pesticide use in order to support the shift to an ecologically friendlier way of production.
- Farmers' rights in developing and exchanging seeds and breeds must be strengthened against currently exclusive rights of breeders and commercial companies, such as plant breeders' rights and patenting. CAP reform should include a **new programme of co-operation between farmers, gene banks, breeders, scientists and consumers** in order to raise awareness and local knowledge about the role of diversity in nature protection and agricultural

cultivation.

## 8. Participatory research and capacity building

- **Agricultural and rural development research should be re-integrated in farm and rural development policies.** After a period of almost exclusive financing of biotechnology and genetic engineering, integrated research should embrace farmers' local knowledge of best practices as well as scientists from the various disciplines concerned.
- Investments in participative public research schemes must specifically focus on sustainable production and protection systems, **modern low-input and solar-based organic production, reaching stability though diversify** and helping farmers to move from an oil-dependant to a solar-based farming system
- Priority should be given to **strengthen multifunctional, small-scale farms and agro-forestry** and to make use of decentralised renewable energies so as to avoid competition between food and energy production.
- Special attention must be given to **capacity building and education of young people, linking agriculture, nature protection and food quality issues in education programmes** and capacity building efforts, as suggested in the United Nations international assessment of science and technology (IAASTAD).
- Agricultural and rural development research should be aimed at putting into practice the flagship EU2020 strategy on **resource use efficiency**, since agriculture consumes a high proportion of resources: this rate of resource use cannot be sustained given the massive growth of the world population we are witnessing.

## 9. Bringing democracy to the food chain: public health and collective preferences

- Regarding **growing public health problems** such as obesity and cardiovascular diseases, consumer protection must become part of CAP reform through better involvement of consumers, their health needs and cultural preferences. CAP reform should therefore include orientation towards **food production which actively enhances public health** (less sugar and fat, more support for fresh fruit and vegetables) and responds to cultural preferences.
- Authorisation criteria for plant protection, pharmaceuticals, seeds or other inputs should reflect the shift towards sustainable farming and food consumption systems. This should also **reflect cultural and ethical preferences of farmers and consumers** such as the rejection of hormones or GMOs in food.
- The role of **"scientific" or "advisory" bodies** which are often strongly influenced by agro-industrial interests **should come under full democratic control**, including EFSA, Codex Alimentarius, and other food safety and quality control bodies.
- The EU should also **enhance the right of non-governmental associations** to depose legal challenges to the recommendations and rulings of such

bodies. Labelling of processed food must provide consumers with essential and relevant health information and substantially reduce misleading information on separate ingredients and additives. It should actively stimulate consumers' choice for a healthy diet.

- EU hygiene standards have to also apply to for EU exports.
- The EU should encourage accessible information about origins of food and ingredients for consumers: consumers must have control of their food purchasing choices through full information and disclosure in food labelling, to help them reach informed choices. Country of origin labelling must be mandatory in the EU, both for single ingredient products and the major ingredients of mixed products.

## 10. Balancing European food and energy security

- CAP reform must **actively reduce the ever-growing pressure on natural resources for food, feed and fuel** by decreasing the external energy input into the food system. With reduced ecological footprints abroad and reduced feed imports, sustainable farming systems will not have much manoeuvring space for additional energy production from biomass or agro-fuels, except by applying local energy and cradle-to-cradle systems. The main target of balancing food and energy security will therefore lie in energy saving and reduction of energy loss into farming systems.
- Energy security policies must tackle wasteful production, consumption patterns and lifestyles and press for a more balanced access to food and energy for all. These should consider that production and consumption of meat consumes more energy than production of crops, fruit and vegetables.

## 11. Budget

- Our agricultural policy contains many aims: food security, ecologically sound land and water management, the protection of biodiversity, the protection of rural communities, the fight against climate change, and the maintenance of farming in remote and marginal areas. To achieve these aims, which include many of the core objectives of the EU, adequate financing from the EU budget is absolutely essential: especially considering that the budget must be spread fairly across all Member States. The CAP and rural development budgets must be at least maintained: a decrease would make it very difficult to meet the EU's targets.

## 12. Protecting the Baltic Sea

The Baltic Sea is practically an internal lake of the EU and one of the most polluted sea areas in the world. The biggest environmental problem of the Baltic Sea is eutrophication and the biggest releases of nutrients (phosphorus, nitrogen) come from agriculture. Almost all agriculture in the catchment area of the Baltic Sea is in the EU member states.

- **Decreased diffuse pollution from agricultural sources, and thereby maintaining healthy rivers and seas, should be added as one of the key objectives of the CAP.**

- The CAP should go through a **general environmental proofing**, through which the key issues which need to be changed in order to protect the Baltic Sea could be determined.
- **Limits for phosphorous** should be added to cross-compliance, also a regional re-assessment of the Nitrate Directive thresholds used in cross-compliance should be carried out, as the current nitrate limits are not preventing eutrophication. These thresholds should be assessed in line with the river-basin management approach of the Water Framework Directive.
- The reformed CAP should allow for a policy framework to improve the ecological situation of the Baltic Sea.
- The CAP reform must ensure a regulation of the nutrient loads into the Baltic Sea that brings the concentration of especially phosphorus but also nitrogen to sustainable levels and allows the rehabilitation of marine and coastal ecosystems.
- The terms for receiving **agri-environmental payments** should be made significantly more **eco-effective** than currently. The agri-environmental payments should be concentrated on actions that have been **verified to give the best results** in reducing the negative environmental impacts of agriculture. Costs generated by reducing environmental impacts of farms should be compensated to the farmers. If necessary, special rules for agri-environmental payments in the catchment area of the Baltic Sea should be introduced.
- A monitoring system should be established for the nutrient loads from agriculture into the Baltic Sea. A tax should be introduced to phosphorous fertilisers to discourage over-fertilisation, and effective measures to tackle overfishing should be adopted.
- Awareness on the state of the Baltic Sea and the link of agricultural practices to it should be raised throughout the Member States.

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